

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – SEPTEMBER 13, 2019

#### CALL TO ORDER (A.)

Chairman Brandon Jones called the September 13, 2019 meeting to order at 10:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioners David Moses, Kelly Kultala, Larry Turnquist, and Dave Myres were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Director of Electronic Security and I.T. Dennis Bachman, Director of Electronic Gaming Roger Bailey, Director of Security Joe Herridge, Recording Secretary Sarah Lynch-Chaput, and other staff.

#### MOTION, APPROVE AGENDA (B.)

Commissioner Moses (Myres) moved to approve the agenda. Motion carried unanimously.

#### MOTION, APPROVE JULY 19, 2019 MEETING MINUTES (C.1.)

Commissioner Myres (Turnquist) moved to approve the minutes of the July 19, 2019 meeting. Motion carried unanimously.

#### MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Turnquist (Myres) moved to approve the consent agenda. Motion carried unanimously.

#### LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Ryan Deutsch, Assistant General Manager, reported:

- July 2019 revenue numbers compared to July 2018:
  - Total gaming revenue decreased 3.21%
  - Total slot revenue decreased 5.34%
  - Table games revenue increased 11.36%
- August 2019 revenue numbers compared to August 2018:
  - Total gaming revenue increased 6.01%
  - Total slot revenue increased 6.01%
  - Table games revenue increased 5.95%
- Upcoming Promotions and Events:
  - Earn & Eat Mondays
  - Points for Play Thursdays
  - Winning Wheel Drawings
  - Big Draw Saturdays

- VIP Slot Tournament, September 21<sup>st</sup> – 22<sup>nd</sup>
- Rodney Carrington, September 19<sup>th</sup>
- Doobie Brothers, September 28<sup>th</sup>
- Mannheim Steamroller, November 25<sup>th</sup>

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
STAR  
(E.2.a.)

Jeff Babinski, General Manager, reported:

- July 2019 revenue numbers compared to July 2018:
  - Admissions down 0.4%
  - Total gross gaming revenue down 0.3%
  - Slot coin-in down 1.5%
  - Slot hold up 0.18 points
  - Table games drop down 7.2%
  - Table games hold up 0.5 points
  - Poker room revenue up 0.1%
- August 2019 revenue numbers compared to August 2018:
  - Admissions down 0.2%
  - Total gross gaming revenue up 1.3%
  - Slot coin-in up 3.5%
  - Slot hold down 0.25 points
  - Table games drop up 1.4%
  - Table games hold up 0.3 points
  - Poker room revenue up 25.1%
- Past Events and Promotions:
  - Asian Variety Show and Fashion Show, July 13<sup>th</sup>
  - Wichita Flea Market, July 21<sup>st</sup>
  - Evolutionary Fighting Championship, August 3<sup>rd</sup>
  - Kansas EMS Association, August 7<sup>th</sup> – 11<sup>th</sup>
  - Wichita Flea Market, August 24<sup>th</sup>
- Upcoming Events and Promotions:
  - Wichita Flea Market, September 21<sup>st</sup> – 22<sup>nd</sup>
  - Midwest Beerfest, September 27<sup>th</sup> – 28<sup>th</sup>
  - Solid Waste Association of America, September 29<sup>th</sup> – October 3<sup>rd</sup>
  - Kansas Sports Hall of Fame Induction Ceremony, October 6<sup>th</sup>
  - Gladys Knight, October 12<sup>th</sup>
  - Kansas Association of Court Services Officers Conference, October 16<sup>th</sup> – 18<sup>th</sup>

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS;  
HOLLYWOOD CASINO AT  
KANSAS SPEEDWAY  
(E.3.a.)

Rick Skinner, Vice President and General Manager, reported:

- July 2019 revenue numbers compared to July 2018:
  - Admissions down 1.7%
  - Total gaming revenue was \$12.6 million, a decrease of 1.2%
  - Table games revenue was \$1.3 million, a decrease of 8.1%
  - Slot revenue was \$11.3 million, a decrease of 0.4%
- August 2019 revenue numbers compared to August 2018:
  - Admissions up 2.8%
  - Total gaming revenue was \$13.2 million, an increase of 4.3%
  - Table games revenue was \$1.6 million, an increase of 8.3%
  - Slot revenue was \$11.6 million, an increase of 3.7%
- Past Events and Promotions:
  - Lottery Scratchers on July Thursdays
  - Lucky Ladies on July Fridays
  - Casserole Dish Giveaway, July 13<sup>th</sup>
  - Winners Party, July 20<sup>th</sup>
  - \$100,000 Progressive Drum on August Thursdays
  - Drop & Win Promotion on August Fridays
  - Cooler Giveaway, August 3<sup>rd</sup>
  - MyChoice MySummer Mercedes Giveaway, August 17<sup>th</sup>
- Upcoming Events and Promotions:
  - American Royal BBQ, September 13<sup>th</sup> – 14<sup>th</sup>
  - Hollywood Casino 400, October 20<sup>th</sup>

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
CROSSING CASINO  
(E.4.a.)

Doug Fisher, General Manager, reported:

- July 2019 revenue numbers compared to July 2018:
  - Admissions decreased 11.0%
  - Net slot revenue increased 5.7%
  - Net table games win increased 22.4%
  - Net gaming revenue increased 7.3%
- August 2019 revenue numbers compared to August 2018:
  - Admissions decreased 5.3%
  - Net slot revenue increased 2.7%
  - Net table games win decreased 4.8%
  - Net gaming revenue increased 2.4%

- Past Events and Promotions:
  - Spin-Ferno Slot Tournaments on July Tuesdays
  - Heatwave Drawing on July Saturdays
  - Invitational Blackjack Tournament, July 13<sup>th</sup>
  - Chase Bryant, August 16<sup>th</sup>
  - Craig Campbell, August 24<sup>th</sup>
  - Invitational Craps Tournament, August 23<sup>rd</sup>
  - \$5,000 Vacation Drawing, August 30<sup>th</sup>
  - Jeep Renegade Drawing, August 31<sup>st</sup>
  - Rodney Carrington, September 1<sup>st</sup>
  - Labor Day Lineup with Free Hot Dogs, Free Slot Pulls, and Hot Seats, September 2<sup>nd</sup>
- Upcoming Events and Promotions:
  - Slot Tournaments on September Thursdays
  - Invitational Blackjack Tournament, September 14<sup>th</sup>
  - Magician Reza, September 14<sup>th</sup>
  - Buck Cherry, September 16<sup>th</sup>
  - Invited Guests Receive a Pizza Oven, September 21<sup>st</sup>
  - Bank Account Bonanza, September 28<sup>th</sup>
  - Pop Evil, September 28<sup>th</sup>
  - Hinder, October 5<sup>th</sup>
  - Skid Row, October 19<sup>th</sup>

COMMISSION ITEMS –  
OLD BUSINESS  
(F.)

There were no old business items.

COMMISSION ITEMS –  
NEW BUSINESS  
(G.)

Brandi White, Director of Administration, Finance, and Audit, presented on the KRGC fiscal year 2020 and 2021 annual budgets. Kala Loomis, Executive Director of the Kansas State Gaming Agency, presented on the Kansas State Gaming Agency budget.

MOTION – APPROVE  
FISCAL YEAR 2020 AND  
2021 BUDGETS  
(G.)

Commissioner Moses (Myres) moved to approve the fiscal year 2020 and 2021 proposed budgets for the Kansas Racing and Gaming Commission and Kansas State Gaming Agency. Motion carried unanimously.

PUBLIC COMMENTS  
(H.)

There were no public comments.

STAFF REPORTS  
(I.1.a. and I.2)

Sarah Lynch-Chaput, Paralegal, reported on the Voluntary Exclusion Program statistics for the months of July and August 2019.

Executive Director Brownlee reported:

- The Quapaw tribe has started construction on a \$350 million casino resort in Pine Bluff, Arkansas.
- Iowa launched sports betting in August with retail and mobile betting.
- Indiana started sports betting on September 1<sup>st</sup> with retail betting only, but have plans and approvals to expand into mobile betting.
- After Florida voted to ban dog racing, a kennel operator sued the state claiming loss of property without compensation.
- The Sedgwick County Commission had conversations in the last month about putting an initiative on the ballot to allow slot machines in the county. After the county counselor consulted with the attorney general, the topic was removed from the meeting agenda.
- The chairs of the House and Senate Federal and State Affairs Committee have requested an Attorney General Opinion on whether sports gambling on a mobile device will violate the federal wire act.
- The October 18, 2019 commission meeting will take place at Hollywood Casino at 10:00 a.m.

MOTION, EXECUTIVE  
SESSION; ATTORNEY-  
CLIENT PRIVILEGE AND  
BACKGROUND REPORTS  
(K.1 AND K.2)

Commissioner Myres (Turnquist) moved that the Commission go into executive session for the purpose of (1) confidential attorney-client privileged communications; and (2) reviewing the list of confidential backgrounds for licensing. Those included in the executive session were the commissioners, executive director, and general counsel for attorney-client privilege; and the commissioners, executive director, general counsel, and director of security for reviewing the list of confidential backgrounds for licensing. The total time for the executive session was anticipated to be thirty-five minutes until 11:25 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 10:50 a.m.

RECONVENE

The commission meeting returned to open session at 11:25 a.m. with all members present.

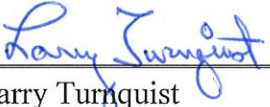
MOTIONS ON LICENSE  
APPLICATIONS  
(L.)

Commissioner Turnquist (Myres) moved to *deny* five license applications, *conditionally approve* eight license applications, *deny the request for reconsideration* of one license, and *approve* the remaining 320 license applications from the September 13, 2019 list of background reports referred to the commission for action. Commissioner Moses abstained from voting on licensee Tracy Carrington. The motion otherwise carried unanimously.

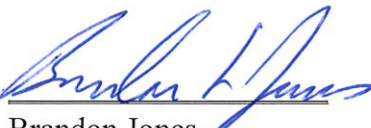
ADJOURN  
(M.)

Commissioner Kultala (Turnquist) moved to adjourn the meeting. Motion carried unanimously. The meeting was adjourned at 11:29 a.m.

SUBMITTED BY:

  
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Larry Turnquist  
Secretary

APPROVED BY:

  
\_\_\_\_\_  
Brandon Jones  
Chairman